

or her own health care. Even in the British National Health Service, a citizen can privately contract. But not here.

If the U.S. Constitution protects a pregnant teen-ager when she seeks an abortion, even one so young the law considers her lacking the capacity to vote, it must protect senior citizens who seek only to receive the health care they want and for which they are willing to personally pay. If the Constitution protects the medical records of those with deadly diseases about which we know very little, it surely protects the medical records of seniors who seek privacy. If the Constitution protects citizens against discrimination, it surely protects seniors from being singled out and denied the opportunity to make decisions regarding their personal health just because they are 65 years of age or older.

On Dec. 30, the members of the United Seniors Association, including Tony Parsons, Peggy Sanborn, Ray Perry and Margaret Perry filed a lawsuit in federal court asking that Section 4507 of the Balanced Budget Act of 1997 be declared unconstitutional as violative of Article I, Section 8, of the Constitution and the First, Fourth, Fifth, Ninth, 10th and 14th Amendments of the Constitution. They have asked the court for an injunction to stop the Clinton administration from enforcing Section 4507, and to block any attempts to interfere in the private contracting of America's elderly.

Until this unconstitutional provision is eradicated by Congress, the freedom and safety of America's senior citizens will be severely jeopardized.

Mr. GRAMM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COVERDELL. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. COLLINS). Without objection, it is so ordered.

Mr. COVERDELL. Madam President, parliamentary inquiry: It is my understanding that for the next hour and a half the control of the time is under the direction of the Senator from Georgia or others he may designate.

The PRESIDING OFFICER. The Senator is correct. Under the previous order, the Senator from Georgia or his designee is recognized for 90 minutes.

Mr. COVERDELL. Thank you, Madam President.

STATE OF THE UNION RESPONSE

Mr. COVERDELL. Madam President, last night President Clinton delivered some good news and some bad news for those who, like me, want to address the crisis in American education. And Madam President, that crisis exists in grades kindergarten through high school. I repeat, kindergarten through high school. The good news is that President Clinton has finally joined the Republicans in recognizing that we must address this crisis.

It is bad enough that our Nation's schoolchildren have to run a gauntlet of drugs and violence just to sit in class, but when they get to the classroom they are not learning the basics.

Just recently, a study published in Education Week showed that only 4 in 10 urban school students could master basic math and reading skills. Four in 10. It does not get much better when we move to the suburban schools. There it is only 6 in 10 who can master these basic skills when tested.

Madam President, we are failing our students, and we clearly are not preparing America for the new century that the President spoke of last evening. Republicans first attacked this problem with a comprehensive proposal over 1 year ago, S. 1, that addressed how to help children in unsafe schools, how to increase literacy, and how to give new authority to parents and communities to improve their local schools.

Regrettably, although we were able to reach common ground on making college more accessible and affordable, President Clinton fought real education reform for the kindergarten through high school grades every step of the way.

Most notably and unforgettably, he threatened to veto the entire tax relief bill last year unless we dropped one single provision, one that provided education savings accounts to parents for use for their child's specific educational needs.

Madam President, if there was ever a proposal that was win-win in this city, the education savings account was it. The President said he would veto the entire tax relief proposal if that remained. The bad news in President Clinton's speech last night is that he still does not understand what needs to occur and where it needs to occur for grades kindergarten through high school. President Clinton last night repeated his belief that politics should stop at the schoolhouse door. I agree. I do not know anybody who does not agree. President Clinton should get out of the schoolhouse doorway and allow real education and reform to help the kids inside those schools.

What we saw last night was education proposals that ignored giving parents and local communities real power and real choices; ignored real reform in favor of business as usual—we call it the status quo around here—spending increases, and paying for all these new programs with money the Government does not even have and may not ever have. I repeat, paying for all these new programs in the State of the Union with money the Government does not have and may never have.

We have a better way. It is called BOOKS, the Better Opportunities for Our Kids and Schools Act.

Madam President, BOOKS has several very powerful provisions that do exactly what I just alluded to—give new authority and choice to parents, give new authority and choice to States and local school districts that move decisionmaking capability to the people on the frontline and away from the Washington bureaucrat who could not associate a single face with a single name.

Title I. A-plus accounts, education savings accounts. Parents can contribute \$2,500 a year for a child's K through 12 education—public, private, religious or home schools. Everybody wins no matter where their children are in school. I might add that if they chose, they could keep those savings accounts on through higher education as well.

Dollars could be used for a home computer, the tutor that is needed for a math deficiency, tuition or the expenses of home schooling; 75 percent of these massive new resources would be used by those in public schools. They would be a major winner. And 70 percent of the people taking advantage of the savings account earn less than \$75,000 per year. The Joint Tax Committee is the source of this estimate. The cost would be \$2.6 billion over the next 5 years. Basically, what we are saying is that we are going to leave \$2.6 billion in the checking accounts of parents trying to help their children.

Title II. Dollars to the classroom. Dollars to the classroom would block grant about \$3 billion to States and continue to send \$7 billion in title I, part A funds to the States with only one requirement—that 95 percent of those Federal dollars go to the classroom to where the kids are, not where the bureaucracy offices are. So the money to the disadvantaged children stays the same with the exception we want it in the classroom, and we free \$3 billion a year so that those local school districts can do what they need to do. Do they need to hire teachers? Then they hire the teachers. Do they need to build schools? Then they build schools. Whatever it is they need—not what we envision they may need—could be done through dollars to the classroom. Bureaucracy eats up scarce dollars as State and local governments comply with Washington's strings. This is not new. It has become endemic in our Government.

Even in title I, the moneys that go to the disadvantaged, 99 percent reaches the school district but 4 to 13 percent is eaten up by administrative costs—4 to 13 percent. That is big dollars. The \$3 billion block grant could pay for as many as 50,000 teachers a year and 1 million new computers every year or it could pay for building up to 500 elementary schools. The key point here it is their choice—their choice.

Title III. Opportunity and safety for low-income children. This is a 5-year pilot choice program at 20 to 30 sites to allow low-income children to attend a safe school through a choice system. We would invest \$75 million for 1 year on this project.

I do want to point out, Madam President, that this is voluntary. This is not imposed on anyone. In fact, with the exception of requiring that Federal dollars go to the classroom at the 95 percent level, there is nothing in the BOOKS Act that is mandatory. It defines, under this title, low income as 185 percent of the poverty line. Unsafe schools are those with high crime

rates, serious drug problems and disciplinary problems. This gives kids at risk a chance to attend a public, charter, private, or sectarian school where the emphasis is on learning, not survival.

Madam President, I just think it is unconscionable policy to order children to go to schools that are certifiably unsafe and drug ridden.

Title IV. Testing and merit pay for teachers. It allows States to use Federal funds to reward good teachers and weed out the bad, and it will make it easier for States to carry out performance assessments of teachers and establish merit pay programs. Americans across the board agree with these concepts. Reward good teachers, weed out the bad, and make it easier for States to carry out performance assessment of teachers.

Title V. Reading excellence. This is similar to Chairman BILL GOODLING's bill in the House which passed the House by a voice vote on November 8, 1997.

Madam President, it would provide \$210 million for teacher training and individual grants for K through 12 reading instruction. It requires funds to be spent on programs demonstrated by scientific research to be effective, like phonics. It gives parents of kids at risk the ability to purchase additional tutoring assistance through grants.

President Clinton's America Reads program which cost \$2.7 billion over 5 years proposed sending semitrained volunteers into the classroom. This is a flawed concept, when you would send a semitrained volunteer into a classroom that has already demonstrated that it is not teaching a student to read. So you would send an unprofessional volunteer to help the student read better—that is not logical. The reading excellence title requires funds to be spent on programs proven effective by scientific research to enable the teacher to improve his or her skills so that she or he can teach the student to read.

Title VI is the teacher and student safety title. This title allows the use of Federal funds to move victims of violence to safe schools. They could be a public, private or sectarian schools. The key here is if the student has become a victim, there should be nothing in the way of that school board's ability to move the student to a safe place. It allows use of noneducational funds—Victims of Crime Act administered by the Department of Justice—for innovative programs to help victims and witnesses of crime on school property. And it encourages the use of immediate notification and annual report cards to parents and teachers about incidents of violence and drugs at schools.

Title VII is the Charter Schools Expansion Act title. This is similar to Congressman RIGGS' bill which passed the House 367 to 57 on November 7. This provision of the legislation ensures charter schools are eligible for their fair share of Federal funding, whether it is title I, IDEA, or title VI block

grants. Charter schools are public schools freed of many of the regulations in turn for increased accountability in terms of student outcomes. Without excessive regulation these schools are better able to design programs tailored to the needs of students and communities.

Madam President, I see we have been joined by my good colleague from Nebraska. I am going to turn to the Senator in just a minute or so here.

Under title VIII, the last title, we say the Federal Government should honor its agreement, which it made when it imposed special education requirements on local education, to fund a sizable portion of it. We agreed to fund up to 40 percent but we have never done it. You know, it's one of those stories, "The check is in the mail." It never quite gets there.

Senator GREGG deserves a lot of credit for this. He started the process last year but this would finish it with \$9.3 billion over the next 6 years to fully honor our commitment to fund special ed, which we call IDEA. That would free up \$9.3 billion for local communities to assess and take care of their own specific needs. That is the general description of the proposal our conference announced on January 20.

I now turn to my colleague and good friend from Nebraska, Senator HAGEL, for up to 7 minutes.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HAGEL. Madam President, I would like to make a couple of observations about last night, the agenda for the second session of this 105th Congress; what is ahead of us, what is ahead for the American people, the challenges that lie ahead for the world.

As I listened intently and seriously last night, as I am sure all my colleagues did, to the President's message, questions came to me like, "Isn't the definition of the debate for this year and the defining of the debate that the Congress will have into the next century about the role of Government?" That is the issue. What is the role of Government in our lives? How much Government do we want? How much Government can we afford? What do we want Government to do for us? And how much are we willing to pay for Government?

The President—and I have all eight single-spaced pages of the text of his speech last night—gave a good speech. But the speech was about new programs, the federalization of America. This is the same President who said 2 years ago in a State of the Union Message that the era of big Government is gone. No more big Government. And then the President said last night, early on in his text, that we, today, have, "the smallest Government in 35 years." I don't know how the President measures that, but this body is going to debate this year a \$1.7 trillion Federal budget to keep this small little Government going.

He talks about federalizing education. I don't find the responsibility of

the Federal Government to be education anywhere in the Constitution. I don't find it in any document that education is in the purview and the province of the Federal Government. Yet this President says we, the Federal Government, representing the people who pay the taxes, are going to hire 100,000 new teachers. We are going to federalize new teachers. We are going to build new schools across America, federalize our schools. But yet, of course, he fails to tell us how he intends to do that. Where are those resources coming from?

At the same time he boasts, rightfully so, that we in fact have moved toward balancing our budget. So he takes credit for that on this side. And then on this side we have page after page, line after line, of new Government spending proposals.

Medicare has been running a deficit the last couple of years. Yet this President is proposing that we add more people onto Medicare. This is at the same time the President and the Congress have come together and said we need a Medicare commission, a bipartisan Medicare commission to take a look at the seriousness of the problem, of the issue, of the challenge, and report back to the President next year. But, no, he decides not to wait for that.

Child care—we are going to federalize child care? These are all important, critical issues for our country, for our people. Of course they are. But I think we might be better off if we would essentially continue this effort to cut Government, cut spending, cut programs, cut taxes, and take the responsibility of governing ourselves back to where it should be; back to the cities, the school boards, the counties. Who best understands the problem? I trust school boards. I trust teachers. I trust parents. I don't trust bureaucrats. We are rapidly developing into this monolithic centralization of bureaucratic rule. People in the Department of Education and all these areas are good people, family people, but we just, year after year, load more on them.

I ask this question when I hear a retort from my friends on the other side, or from the President, that Medicare, for example, and all these new programs, will pay for themselves; there will not be an increase in spending; we don't need to find more taxpayers' money: Is there anyone out there who can show me any time we have had a Federal program that has gotten smaller? Do Federal programs and agencies and bureaucracies and departments vanish after a few years? Oh, no, no; they get bigger. And who has to pay for it? My children and your children. And it gets bigger and bigger. Where have we cut Government in the 1990s? We have cut it in one department. What department? Defense. Our national security has been cut over the last 10 years in real dollars by 40 percent. How many other departments and agencies have been cut? None.

So my point is this. Before we rush into all these new programs and new

Government and new federalization, we better sober up for a moment. This is not a time for campaign rhetoric. This is not a time for campaign speeches. This is a time for clear-headed, strong, dynamic, smart, realistic leadership, gutsy leadership. That is what America demands. That is what America will get.

I say these things not because I am opposed to the President or trying to complicate the President's life. But we, too, have a constitutional responsibility in this body. We have accountability to the people we represent. And this is one U.S. Senator who is going to ask some very tough questions about every one of these new programs.

I yield the floor.

Mr. COVERDELL. Madam President, I thank the Senator from Nebraska for his remarks and the contribution he made here this afternoon. I am going to now turn to our distinguished colleague, Senator HUTCHINSON from Arkansas, and yield up to 10 minutes to the Senator from Arkansas.

Mr. HUTCHINSON. I thank the Senator from Georgia for yielding. First, I want to associate myself with the remarks of the Senator from Nebraska and his excellent analysis of the efforts by our government to federalize not only education, but many other programs as well. And I applaud Senator COVERDELL from Georgia for his efforts in the area of education, and in particular, his leadership on the Better Opportunities for Our Kids and Schools Act, the BOOKS Act. I believe this bill demonstrates that we, as Republicans, have a deep concern about education in this country. We have a deep concern about improving education for our children, who are precious to us. And we recognize that this is best done at the local level, where teachers know the names of our kids, and can pick up the phone and call the parents when the need arises. These decisions are better made at the local school district level, the State level, and not by a greater and bigger Federal bureaucracy.

Last evening, in his State of the Union Address, the President proposed "the first ever national effort to reduce the class size in the early grades . . . by hiring 100,000 new teachers." So I ask, is this really a genuine effort to reduce the size of our children's classes? Or is it just another exercise of ever bigger Government, and a move in that gradual effort toward federalizing education in this country?

Why are new teachers, mandated from Washington, the ticket to smaller class sizes? It is well-documented that many States across this Nation have taken on the responsibility of reducing the size of their classrooms; namely, California, Virginia, Massachusetts, Connecticut and Wisconsin. The Governors of these five States have proposed hiring thousands of new teachers using, not Federal dollars, but State dollars. This makes sense, allowing individuals closest to our children to make these kinds of decisions.

Madam President, I trust those individuals in the thousands of cities and towns across this country who know your child's name, to make the important decisions that impact the very classrooms in which our children learn much more than I trust bureaucrats in our Nation's capital. In an effort to allow States and localities to make these decisions, I, as part of the BOOKS legislation, will be introducing the Dollars to the Classroom Act, that will redirect about \$3 billion of K-12 education dollars to the States, requiring only that 95 percent of that money actually reach our children's classrooms. This money can be for books, it can be for teachers, it can be for computers—whatever the local education officials deem necessary and important to the education of our children.

While no one can deny the importance of providing the best possible education to our children, we also must implement these programs in the most responsible manner: by returning control over the education of our children to the place that it belongs, the parents and teachers and local communities and local school boards. By doing that, we will ensure that education dollars are spent wisely on programs and activities which really benefit our children in the classroom.

Currently, the vast majority of all Federal education funding does not go to school districts or classrooms. In fact, in 1995, of the \$100 billion the Federal Government allocated for education programs, only about 13 percent actually got to the local level from the Department of Education. That is a travesty, and a national nightmare.

Madam President, the current system of Federal bureaucrats attempting to administer hundreds of education programs to our children is, to say the least, highly inefficient, as reflected in falling test scores and increased illiteracy rates.

Many students are not adequately prepared to meet the challenges of life beyond high school, whether they go on to college, take a job, or attend a trade school. In fact, last year alone, 43 percent of high school seniors scored below the basic level in science, while 29 percent of all college freshmen were required to take at least one remedial course. Most alarming is that 68 percent of employers say that high school graduates are not prepared to succeed in the workplace. These statistics paint a very sad picture in a country which prides itself on having the best education system in the world. When limited Federal funding is spread so thin over such a wide area, the result is ineffective programs that fail to provide students with the basic skills they need to succeed.

So I ask my colleagues to join Senator COVERDELL and my good friend from Nebraska, Senator HAGEL, and I, in asking hard questions. Which do our constituents really prefer? In whom do the citizens of America really place their confidence? The real question is—

is it going to be BOOKS, or is it going to be bureaucrats? So why not let those on the State level, why not let those on the local level, who best know the needs of our children, make those decisions, make those determinations? Perhaps it is books, perhaps it is computers, or perhaps it will be a need for more teachers so that children will have smaller class sizes. But I truly believe that those decisions must be made at the local level.

I believe the alternative, the Dollars to the Classroom Act, demonstrates not only our commitment to the education of our kids, but also proves that there is a better way to implement this commitment rather than creating an ever-growing Federal bureaucracy and appropriating ever-larger sums of money which are failing to provide for the real needs that our schools have.

So, once again, I applaud Senator COVERDELL for his leadership in education, his leadership on our efforts to improve education for all of the children in this country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. COVERDELL. I commend the Senator from Arkansas. I think he very adroitly draws the distinction between our proposal, which frees these local communities to make decisions about what they need, in distinction to the last 30 or 40 years where more and more and more we have somebody, as you say, who couldn't recognize one of the students, trying to set the priorities, and all the assistance we send is with a mandate to shackle the local school boards.

Everywhere I go—I don't know about yourself—but it is over and over I am being told that you all are going to have to decide. "You all have to let us teach these kids." Or, "Are you going to keep mandating us and throttling us down with all of your agendas?" And while we have been doing that, we, each year, have more and more data suggesting that the children cannot do the basics, cannot read right, they cannot understand the basic science, and they cannot add and subtract.

If they cannot do that, they cannot succeed in our society. I think you have adroitly hit it. And I appreciate your work on dollars to these local systems.

We have now been joined, Madam President, by the distinguished Senator from Florida, Senator MACK. I yield Senator MACK up to 10 minutes.

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MACK. Thank you, Madam President.

I thank the Senator from Georgia for this opportunity. I want to again commend the Senator for the leadership he provided last year in focusing us on this issue, leading the debate and the effort to try to pass the A-plus education savings account with great leadership. We appreciate what the Senator is doing.

I want to kind of set the stage as to why I think the issue of education is so important. When I go home and speak to the people, they will tell you that the No. 1 issue facing the Nation, facing their State, facing their community, is education. I think they recognize that if their children are going to be successful with their lives, they have to have an education that is second to none.

But let me put it in a broader perspective in that I believe that the 21st century is going to be the century of knowledge.

We have all heard about, for the last 10 or 15 years, folks like Alvin Toffler talking about the information/communications age. Some of us find ourselves totally surprised that we are engaged in playing around on the computer, the Internet, things I couldn't have dreamed of a couple years ago. We know there is an explosion of knowledge and information out there. We also know that if our children are going to be successful and be able to compete in the 21st century, they are going to have to have an education second to none.

To just build on that, there was an educator in the State of Florida—President Bush put him on his commission—Mitch Madique, who is the president at one of our State universities. He traveled to South America and had discussions with the various leaders of education in those countries. They were saying to him, "We are really looking forward to the 21st century because competition in the 21st century is no longer going to be based on military capability, military strength or the amount of your natural resources. Instead, competition is going to be based on knowledge. If that's the case, we're all starting off on the same foot. And we believe we have just as much of an opportunity to develop a first-class education system as you do. So we look forward to competition in the 21st century."

To me, this means that if those three little grandsons of mine, who are 13, 11 and 4, if they are going to have an opportunity to make it, and if they are going to have an opportunity to have the same kind of experiences and opportunities that we had, then they do have to have an education that is second to none.

The proposals that the Senator from Georgia has already laid out make clear that there is not going to be a solution described and defined at the Federal level and passed on to the local communities and States. Conversely, we believe that the answers are going to come from the grassroots level.

So I would like to just share for a moment an experience that I had in California a few years ago. I went to a school in the area where the riots took place. The name of this school was the Marcus Garvey School. We have had some experience with the Marcus Garvey School here in Washington. The experience we had in California was to-

tally different than here locally, so don't be confused.

As I went to the school and I drove down the street, I would suggest that probably most of you would think, "I'm not sending my child to that school." There were just absolutely no amenities. There was not a blade of grass anywhere. There was not a single basketball hoop or any playgrounds that I could see. There was just a building that had been converted, I am not sure what from, into a series of classrooms.

We went in and we met with the owner, the administrator, the principal—all one person. His name was Anyim Palmer. His office was probably 10 by 12, stacked full of papers. He had no secretary. When the phone rang, he answered it. The equipment or the desks and chairs appeared to be 30-40 years old. The point I am making is there was not a lot of money invested in amenities in this school.

He suggested that maybe we go down and work our way through the different classes that were being taught. We started out in the day care area. We saw about eight or nine children age 2—not second grade, but age 2. When my wife and I went down to the room, the teacher said to the children, "Show the Senator and Mrs. MACK how you can say your ABCs"—again, they were 2 years old. They said their ABCs. Just as cute as they could be, they ran through the alphabet. When they finished with that, the teacher said, "Now say it in Spanish." Then they said it in Spanish. Then she said, "Do it in Swahili." Then they said it in Swahili. Here are 2-year-old children who have already mastered the alphabet in three different languages.

We went from there over to where the 3-year-old children—again, I emphasize 3-year-old children—were working on math. These little children were walking up to the blackboard working through math problems. So the teacher said to me, "Give them a problem to work on." I suspect everybody here would have reacted the same way I did. I said, "How about 5 plus 3?" She said, "No. I mean, give them a difficult problem to do." So I said, "Well, how about 153 plus 385." And the little 3-year-old stood there and put a couple dots on the board, wrote down one number; put a couple more dots on the board, and another number went down; a few more dots, another number went down. It was the right answer—3 years old.

We went over where the 4-year-olds were being taught reading, and they were reading at the second and third grade levels—at the age of 4.

I went to where the 5-year-old children were—and mind you, we have not gotten to the first grade yet. The teacher asked one of the little boys to stand up and recite for me, in the proper chronological order, all the Presidents of the United States. This little boy stood up and looked me right square in the eye, and he listed every President of the United States in proper chronological order.

You might be asking yourself, how did I know that? Frankly, they handed me a cheat sheet, and I was working my way down it as he was going through it.

My point is, here is a school that most people, again, would look at and say, "I don't want my child to go there." No amenities. It is bare bones. You may say, "Well, what makes this thing work?", which is exactly what I asked every teacher in every room that we went into. How is this happening? Anyim Palmer told me that the answer was the teacher. It is the teacher. Every time they asked the question, the answer was the same—it is the teacher.

Interesting things came out of it. I don't believe any of the teachers were certified. I think only two of them had college educations. What happened is Anyim Palmer, who was the owner, administrator, the principal, was a former public schoolteacher who became so frustrated with the public school system that he said, "I'm going to start my own school. I'm going to teach people how to teach."

Again, I would encourage anyone who has an opportunity to make a visit to that school or something like it to do so. But the point is, if we rely on the present system, the present system will produce exactly what it has produced in the past, unless there is something that forces people to change. We believe the program that we have put together will in fact assist local communities and States to develop alternatives to the present public school system.

I visited a charter school in Miami just a few days ago and spoke with a teacher there, who up until a few years ago was an engineer. I said, "What happened? Why are you teaching?" He said two things. One is, he said, "I lost my job. And I didn't want to put my family through that kind of an experience again. I felt there was some security in teaching." And then he said, "You know what? I have found my calling." He is teaching second grade children. He said, "This is exactly where I should be."

But in this charter school, this individual had flexibility. This individual could approach the opportunity of teaching our children in a totally different way than in the past. So, again, I think if we encourage innovative thinking, we are going to find there are some remarkable ways to improve education in our country.

As you know, one of the major points in our proposal is to reward teachers who do a good job. We ought to reward excellence. We ought to say to those teachers, "You have done a great job and we are going to reward you for it." That is why we are talking about the importance of merit pay.

But if we are going to have merit pay, we also need to recognize those teachers who are not doing a good job. We need a way to determine that, other than whether a principal likes an individual or does not like an individual, or

a school board does not like an individual. We ought to say there ought to be competence testing. Part of this plan, known as BOOKS, calls for competency testing and for merit pay.

Before I conclude, I would like to point out that in the State of Florida, 70 percent of the community college freshmen require remedial education. We have to change that. The cost to the State of Florida is \$50 billion a year to handle this problem. Let's improve our K-12 education system.

With that, I yield the floor and again thank the Senator from Georgia for tackling this initiative. I look forward to working with you on this important issue.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. COVERDELL. I commend the Senator from Florida. It is an absolutely fascinating story. There are many of these around the country.

Just to make a point, of late when you read the statistics of 4 in 10 are all that can pass in urban city schools' basic standards tests, 3 in 10, 4 in 10 go to college, as you have noted, and have to go back and learn these skills again. We are beginning to hear an echo that these students were not educable, that there was something wrong someplace else, something wrong at home, something wrong with society.

What kind of community was this? What was the surrounding like around this school? Was this a very wealthy suburb?

Mr. MACK. No. As I indicated, it was in the riot area in Los Angeles.

Mr. COVERDELL. Would you surmise that those students could not have possibly all come from very stable, two-parent families that you might find in some communities?

Mr. MACK. I could suspect you could draw the conclusion they were somewhat different than, say, what most people think of as the traditional family in America. But I would be careful about drawing too many conclusions on that because I think there are some things about what was going on in this school that also sends a message to moms and dads.

I think that one of the reasons for success was because mom and dad were involved. They made the determination. I mean, this was a private school, so they have to pay to go to that private school—some of them at great sacrifice. Some of them, frankly, from outside the community.

But the point there is, if you go back to the charter school, for example, one of the things that most charter schools require, as you know, is that they want parent involvement. In fact, when I was at the school in Liberty City, in Miami, mom and dad parents came into the classroom, as I was talking with the teacher, to discuss with him the problems of their student. What was the problem? Or what should they be doing more at home to help?

Again, I think one of the messages that we do get is that in the charter schools—I guess there are others who are much more knowledgeable at these things than I am, but because it is a very focused school, it understands the importance of mom and dad being engaged. The teacher understands the importance of moms and dads being engaged, and, clearly, the parents understand if they are going to be able to keep their children in this charter school, they have to be part of it.

Again, I would make the case, whether it be a mother and a dad or single mom or single father, that if you can engage them in the education process, regardless of that background, in probably 9 out of 10 cases—I am just saying this from my feeling; I do not have the statistics—but 9 out of 10 times, if you, the parent, one or both, are engaged in your children's education, you are going to improve the ability of your child to learn. And, again, I think you are going to find that you are going to create that environment, something different than we are doing today.

There is just so much we can learn from this experience. Again, the answer that kept coming back, "It is the teacher. It is the teacher. It is the teacher." I think people ought to recognize that what Republicans are saying is we value teachers. They are the ones who really make a difference.

Again, if my grandsons are going to succeed, they need to be exposed to good teachers. We have to help create an environment in which people, (a) want to come into the teaching profession and, (b) once they are there, want to remain and experience the excitement of seeing young children learn. Teachers help children realize how important knowledge is to them and their future. Again, teachers are the ones who really make a difference.

Mr. COVERDELL. The Senator makes an excellent point. Who does not remember the teacher that affected them? There is no one that does not remember that teacher.

Mr. MACK. I can name my first-grade teacher.

Mr. COVERDELL. I thank the Senator for the presentation.

I turn to our distinguished colleague from Wyoming, Senator THOMAS, and yield up to 10 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. THOMAS. I appreciate the Senator from Georgia arranging for an opportunity to talk about our agenda. After all we have just returned now from recess, just returned from a time to talk with our constituents. I spent all this time in Wyoming doing a number of town meetings, talking to people about various things they are interested in.

It is time for us, of course to talk about agendas, to talk about priorities, to talk about what it is that we intend to do during what is already a relatively short work year, during an election year. The thing, of course,

that is on our minds today, I suppose, is the President's State of the Union Address last evening in which he laid out his agenda, not a surprise agenda, and talked about the issues he has been talking about now for several weeks, with a new proposal each week, all put together in a State of the Union Message which had, I think, about 30 different proposals of things to do.

It seems to me that what we have to do now as a responsible Congress is to decide on those items that we think are priorities to this country, that we think are priorities for success in families in this country, economically, from a freedom standpoint, how-to-govern standpoint, and really press for those. I must say that I feel rather strongly about that.

I felt last evening that—the President, of course, is certainly free to have his own agenda—that was an agenda that had been put together by pollsters, an agenda that had been put together to enumerate all those things that would sound good to everyone that was listening, an agenda that I think, clearly, again the President is perfectly free to move his position, move his position back toward the more liberal Democrat Party from which he has departed in the last several years somewhat to establish more support for AL GORE when the time comes. I think that is legitimate. I don't happen to agree with that.

I think we ought to be moving forward to continue to do the things that we have begun to do over the last several years, some of the things that I am particularly proud of, frankly, that this Congress has been able to do, to bring forth a balanced budget. That, after all, is the responsibility of the Congress. We have done that. We need to continue to do that. We need to continue to try and control spending so that we can move toward this idea of a balanced budget and beyond, to begin to work on the debt that is there, to begin to do something about that \$280 billion we spend on interest every year to service a \$5.5 trillion debt. That, it seems to me, ought to be the real focus of what we do.

Our responsibility now, I believe, in the Congress is—we shall meet on Friday, our friends across the aisle will meet I am sure next week—to come to grips with those kind of things we think are the priorities for our agenda. I don't think our agenda can be a laundry list of 30 or 40 things that appeal to the polls but rather ought to be the kinds of things that are terribly important to us.

I think we ought to talk about ISTEA, for example. We ought to get out into the country to do the highway maintenance, the highway building. We didn't get that done last time because we got diverted talking about something else. ISTEA needs to be there. I think we need to continue to work on the budget. There is probably nothing more important than being responsible in the spending that we do. Again, I am

pleased with what has happened with the budget over time. I am pleased for what has happened in the last couple of years on welfare reform. The Congress has moved forward, with the cooperation of the President, after a couple of vetoes. That is OK. But we need to continue to do that, to provide the opportunity to help people move off of welfare into work, which is what most people want to do, of course. We have made some progress in moving away from the entitlement program that we have had. We have made some progress in terms of moving Government closer to people, where Government is more responsive at the State level, and do those things at the State level that we should do there.

As I listened last night to the enumeration of things that might be done it seemed to me at least one of the considerations that has to be made is where do you do these things most efficiently? Child care—everybody is for having quality child care. Everybody wants to strengthen the child care program. The question first we ought to ask is, where is that best done? What is the role of the Federal Government in child care? What is the role of the State government in these kinds of things?

I happened to have the privilege last night of having my Governor accompany me to the State of the Union Message. I could sense as we went through last night's State of the Union Message him saying to himself, "We can do that better at the State level. We can really make those things work." I agree with that.

There are a number of other things that I personally would like to see us move forward on. One of my personal areas of interest is the national parks. National parks are a national treasure for all of us. More and more people go to visit national parks. More and more people are interested. Yet we have less resources for national parks than we need. National parks, some claim, are as much as \$8 billion in arrears on infrastructure. We need to work at that. That happens to be something that I am most interested in.

I think most of all we need to be sure that we are responsible, finally. Spending continues to go up. If we are going to balance the budget—why balance the budget? Because revenues have gone up. I think the President's proposal goes far beyond what is going to be available for dollars. The President says we want to keep a balanced budget and then lists 30 items that will cost billions of dollars plus additional tax deductions there that will reduce revenue. So we find ourselves I am sure with spending far beyond our income if we do those things.

Those, I believe, have to be the constraints. That is what I heard from my people. That is what I heard from the people of Wyoming. They said, look, stay with that business of balancing the budget. We not only want to balance the budget, we would like to see

you begin to reduce spending. This idea of the era of large Government being over is a good idea.

I was disappointed the President had done a complete reversal from 2 years ago when he announced that would be his objective. This certainly was not an effort to reduce and to change the era of big Government.

Spending continues to go up, 16 percent last year, 24 percent on entitlements. Over a period of time, entitlements continue to grow. Many of these programs that we talked about inevitably will become entitlements. These young people that are here on the floor as pages won't see those benefits because they will not be sustained if we continue to grow at 24 percent a year.

Madam President, I think we have a real opportunity. As I said, I enjoyed the President's State of the Union Message. That is his agenda. Now it is our responsibility to have an agenda and to put our priorities there, put our philosophy there, our philosophy of a responsible Government, our philosophy of a financially accountable Government, one in which we limit size and move as close as we can to people to solve people's problems.

The educational program that Senator COVERDELL has recommended is one that puts the responsibility in the hands of local people, parents. That is what we need to do. Those are the kinds of things we can do here to assist in those problems. So I am excited about this year. I think we have an opportunity to do a great deal. I am very proud of having been in this Senate since 1994. I think we have made some real changes in direction. It is my hope and my desire to help ensure that we continue to move in the direction of a more responsible Government, responsive to the folks that we represent, the folks I have had a chance to visit with for 2 months and have come back with some renewed dedication to the idea that this Congress, this Government, is responsible to the people, to the taxpayers, responsible for protecting liberty, responsible for being financially responsible, responsible for reducing taxes as much as we can, to leave the money to the people it belongs to. I am excited about the opportunity.

So my friend, Mr. COVERDELL, I appreciate very much what you are doing in this time to talk. I think we should continue to talk about our agenda and talk about the reasons we are doing what we are doing. I look forward to that happening this year.

Mr. COVERDELL. As always, Madam President, I enjoyed the remarks of the distinguished Senator from Wyoming. He brings that clear Western thinking to the Senate.

If I might add a thought, it is a little hard to believe, but this Congress passed the first balanced budget in the 104th Congress. That was vetoed by the President. We did it again. So we passed two. The President signed it. It is the first one in 30 years. In 30 years Washington has never developed the

will to balance its budget. It passed the first tax relief in the last Congress. That was vetoed. A modified tax relief was passed last year. That was signed. That is the first tax relief in 16 years.

Now, I don't know what the situation is in Wyoming but that tax relief proposal leaves \$750 million every year in Georgia checking accounts of working families, businesses, people sending kids to school and college, trying to make ends meet. It left \$750 million in those accounts. It was not a particularly large tax reduction. But it means a lot. It puts about 2,000 additional dollars in the checking account of an average family.

Now, the point I am making is this, and I would like to get the Senator's comment, don't you find it interesting that once the United States balanced its budget, once it has become more engaged in managing its financial affairs, how much more optimistic the people are, how many more of them of working, how interest rates have stayed somewhat down, and how we are talking about surpluses for the first time? Pretty remarkable, very remarkable. It ought to be a lesson to every Congress and every President. This is a good idea. We better keep doing it.

Mr. THOMAS. If I might, I certainly agree with the Senator. It isn't that difficult.

In other words, this is what our system is all about. Our system of private enterprise, our system of limited Government, our system of allowing as much money as possible to stay in the hands of the citizens so they can invest it and create jobs, that is what our system is all about. Through the years it has been tested against socialism and big government and the government doing all these things, and throughout the world this system is the success. It is being copied everywhere. Sometimes it is scary when we see ourselves moving away from our own system that has been so successful, that everybody else has adopted.

So the Senator is exactly right. That certainly is what creates this kind of an economic environment is the ability to take the risk, to invest, to work, to earn, to keep and to do things for yourself and your family.

Mr. COVERDELL. Madam President, I appreciate the remarks of the Senator from Wyoming. I see we have been joined by the distinguished Senator from New York. I welcome his presentation and yield up to 10 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. D'AMATO. Madam President, I thank the distinguished Senator from Georgia for his leadership on this most important issue. I believe that education is the most important issue facing our country.

We have focused a majority of our attention on the need to give assistance to those of our students who are college bound, and that is important. We have done, I think, a good job in expanding, for example, the Pell grants

to take in nearly 300,000 students, and I voted for that. We have increased the amounts of those grants substantially, from about \$2,400 to \$3,000 and I support that. And we worked to create educational savings accounts, and I think that is important, Madam President.

But I think it is time that we look at our elementary schools and our high schools, because one in five third-graders across New York State could not read with comprehension even the easiest connected sentences and paragraphs, according to the New York State Department of Education. We have heard that 40 percent of the children in some of our school districts are reading below grade level and are below grade level in math. 50 percent-plus of the students in some of our school districts are dropping out of school, including here in the Nation's Capital. What is going to happen to those children who are dropping out? How can they compete? What jobs are they going to hold? What will happen to society if this continues?

Let me say that last night the President talked about a number of issues. One of those issues he talked about was the need to hire more teachers. Let me tell you that I believe we need more teachers in the classrooms. We should empower, by way of making moneys available, the local districts to do exactly that. I am going to work with whoever it is—the President, this administration, my colleagues on both sides of the aisle—to do exactly that.

The President also called for greater accountability in education, and I believe that's important. He said students must be more accountable for their performance, that we should not have social promotion. That is true. Unfortunately, we didn't hear one word about making teachers accountable also. One of the things that this bill, the B.O.O.K.S. Act, does is make available funds for accountability. You can't have our kids learning if the people teaching them do not meet performance standards. We must have competency testing so that we know math teachers do understand basic math and that they can teach it. We have to have some system of evaluating, and we should give the school districts that ability. It is not that we should say what test they should give, but we should empower the local districts and the parents to have a choice.

(Mr. COATS assumed the Chair.)

Mr. D'AMATO. Most of our teachers, I believe, Mr. President, do a great job and are dedicated and hard-working. Unfortunately, there is no financial reward for those great teachers. I think we need merit pay. That is one of the things that we encourage in this legislation, which offers better opportunities for our kids.

We need major reform, not just tinkering at the edges of the problem.

Let me touch on that which, in many cases, brings about a hue and cry not from the parents, but from those who want to protect the status quo, the teachers' union.

By perpetuating the status quo, too many of our children are falling by the wayside—they are not making it. I am talking about a system that many of my colleagues quake when we bring the issue up, and that is called accountability and seeing to it that teachers don't have lifetime tenure. I think our kids are entitled to have teachers who make a difference just like the teachers I had in grade school who created magic in the classroom.

Those teachers exist today. Let's understand that. I think the vast majority of our public school teachers are dedicated, work hard, do a good job, and they should be rewarded with merit pay.

But, by gosh, let's not be afraid to say there should be accountability as well with teacher competency tests and ending a system where teachers, in essence, in too many of our schools and too many of our States, have what is likened to lifetime tenure. After 3 years, it becomes virtually impossible to remove those who are not doing the job. I will give you an example from New York State. Last year, only seven out of 200,000 teachers were removed. Seven. It has become virtually impossible. And it costs hundreds of thousands of dollars to bring this type of action.

Now, Mr. President, I am not suggesting that we jeopardize those good teachers who are doing the job or that we create some arbitrary standards. I am suggesting that we have some review, some system to evaluate performance so that nobody has what is, in essence, lifetime tenure regardless of the job the person is doing.

The education of our children is too important. Those who teach our children must be competent in these subjects, that is why we need competency testing for all teachers. Our children deserve nothing less.

Let me point to just one other area before I conclude my remarks, and that is school safety. My gosh, if we have children in our public schools that say it is dangerous and they feel safer in their neighborhoods than going from one class to another, what more do we need? If we don't have schools as a safe haven, creating the environment where our children can learn in that safe haven, that oasis of learning, then how can the best teacher do the job? So we have to be able to fast-track violent, disruptive students out of the school. You cannot suggest that public education has ever said that even violent, disruptive juveniles have a right to stay in school no matter what their conduct. That is unfortunately the case in too many areas. I will tell you that the 1,116 schools in New York City reported 22,000 incidents in 1996-97, including nearly 5,000 person-related incidents. It becomes impossible to have serious learning in the classroom.

Last but not least, let me just touch on one aspect that I think is so important. Why should we have a plethora of Federal programs that serve cross-pur-

poses, when we can take that money and establish education block grants. Somehow bureaucrats have planted in the minds of many of our parents and local officials that they are going to lose money.

What we call for in this bill is saying that we are going to give you the same amount of money, and, in fact, we will actually give you more money. In title II of the BOOKS Act, States would receive funds through block grants, which can be used for educational needs that the local communities and school boards think are important—not that Washington mandates. So they are going to get more money. In addition, they are going to get a lot more money because 95 percent of those funds must reach the local schools in the classrooms and cannot be used for administrative expenses. We cannot have 15 to as high as 25 and 30 percent of the money being used for administrative overhead. The money is not reaching the kids.

I might give one example. Senator GORTON's amendment along these lines last year would have sent an additional \$670 million to local school districts. But we have the bureaucrats in Washington who are opposed to that. They want to keep these ties. That is an employment center as opposed to becoming an educational opportunity. So \$670 million more could go to the school districts. And by the way, that hires 26,000 teachers. So when our President says, "we want to hire 100,000," here is a way. If we were to adopt the block grant proposal, and some amendments to it, we could hire as many as 26,000 teachers at the local districts without raising one additional penny. My gosh, that's over a quarter of the number that the President talked about, with no increase in taxes. It just means using the resources we have and empowering our parents and the local school districts to make these choices.

Mr. President, I want to commend Senator COVERDELL, Senator LOTT, and the occupant of the Chair, Senator COATS, for being leaders in this area. We have to do better for our children, not just tinkering at the edges.

By the way, why should we be afraid of the teachers' unions? We should encourage them to work with us. It should not be a battle against them. Notwithstanding that I have been critical of their status quo position and their opposition to basic, good, fundamental reform, this should be a fight for our children, to give our kids a better education. I would hope that the Members and all of the teachers would join and be in favor of this and work together. We can do better and we must do better because our children are entitled to that.

So, Mr. President, I thank you for your leadership. I thank Senator COVERDELL and my colleagues.

I yield the floor.

Mr. COVERDELL. Mr. President, I certainly echo the compliments of the Senator from New York to the Chair

because, clearly, throughout your career you have been dedicated to this kind of work. It was appropriate to mention that. We appreciate the remarks of the Senator from New York. They are very much on target.

We have been joined by our distinguished colleague from Colorado. I yield up to 7 minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized to speak for 7 minutes.

Mr. ALLARD. Mr. President, I thank the Senator from Georgia for yielding me a few moments. One of the strengths of the Republican Party, and one of the reasons I am so proud of the leadership is that they have encouraged us to go back to our States and talk with the citizens in our States and really find out what the problems are. As we are putting together our agenda here for this session, I really feel like this is a grassroots message. It has come from within the States. It has come from our friends and our neighbors and our local elected officials, the people who have to work with the Federal Government on a daily basis. I have gone back to my State and held a lot of town meetings. This particular year, I decided to hold a lot of town meetings in January. I held 40 town meetings in January. The message that came loud and clear to me is the main thing on people's minds is that there is a growing Federal Government that is continuing to interfere in their daily lives. Somehow or other, they feel they are losing control. Local officials in Colorado feel like they are losing control. Small business people feel like they are losing control and are getting too many dictates from Washington.

Another thing that has come up in all of my town meetings has been the Tax Code. People are concerned about the tax burden that they have to bear today, particularly from the Federal Government. People want our tax system reformed. They certainly would like to have lower taxes, and they want a simpler and a less intrusive means of collecting those taxes. It strikes me that the two issues of taxes and the growth of Government tend to intertwine with one another. Those two issues, I think, are simply pulled together with this statement: Where the money goes is where the power goes. So people stand up, and say, "Well, there is too much power in Washington." Then they complain the next minute that my request for funds from some program in Washington comes with mandates and strings attached and they begin to realize that there is power related to where that money goes. I think they think that the Federal Government is entirely too powerful. It does claim a huge portion of our economy each year.

Let me review just a few numbers to make the case for tax reduction and tax reform which is going to be an important part of our agenda. The tax burden has been steadily rising since

1992. In 1992, the Federal Government claimed 19 percent of the economy. By the end of 1997 this has risen to around 21.4 percent. Remember, this is just the Federal Government. It is not State taxes. It is not local taxes. And if we include all of the State and local taxes and Federal taxes, of course, it is much, much larger. We are just talking about the Federal Government's share.

The government at all levels now claims about one-third of the wealth produced each year in our economy—one-third. I think that is really a high number—certainly much more than any of our forefathers ever dreamed as far as the role of the Federal Government in our national economy.

According to the Tax Foundation, State, Federal, and local taxes will claim 38 percent of the median two-income family—38 percent. By comparison, in 1965, the burden was 28 percent. It has gone up 10 percent. The tax burden amounts to no more than a typical family will spend on housing, food, and clothing combined.

Mr. President, if we really want to help families with child care expenses, education expenses, health expenses, or housing expenses, we should reduce the tax burden. They have more money in their pocket. It gives them additional flexibility to spend it how they feel they should instead of sending it to Washington and then coming down with those mandates.

There is much talk in Washington about the budget balancing and the forecast of some excess revenues which are referred to as a "surplus." I certainly hope that this happens.

When I was first elected to the United States House of Representatives, I remember our deficits were running around \$340 billion a year. That is how much more they were spending a year than they were bringing in that same year. Now they are projecting—the Congressional Budget Office—somewhere around \$5 billion. That is quite a change.

So I certainly hope that happens. Maybe we can do something here in the Senate to move that along by saying let's look at our budget that we passed last year. Maybe we can do something this year to cut back the \$5 billion in spending and actually balance the budget and make sure that it happens.

But I think we need to be honest about why the budget numbers look so good. The budget is balancing not because of any tough decisions that we made here in the Congress. But it is balancing because of hard-working Americans out there that are being productive. And the reason that they are being productive, I think, is because they really believe that we are committed to balancing the budget. It holds down costs because interest rates are going down. And when they go to buy a car, or house, or when they are in business for themselves, this means they can invest more in themselves than the community. That is certainly part of it. Another part of it is because

I think they believe that Republicans are going to—and they did last session—work for reducing the tax burden so they will have more of that for spending.

So the economic performance in the past year and why it has really done so well is because of action here, I think, in the Republican Congress.

The American people have been sending greater and greater amounts of their money to Washington. There is no doubt about it. With the budget balancing that we are going to be facing this year, I think we all pretty much agree that it is because of increased tax receipts coming in and not because of restraint in spending or the fact that the budget continues to grow. I think we have to keep that in mind.

Federal spending in 1998 is estimated to be around 4.3 percent over our 1997 spending level. It is well in excess of inflation which is a little bit over 2 percent.

So I hope that we will keep in mind that we need to make decisions that move the power from Washington back to the local level, and move it back to the pocketbooks of people who are in business for themselves and are making decisions on behalf of their families.

So we are going to reduce the role of the Federal Government by cutting taxes. And I am here to say that we need to get on with it. And the sooner we show the American people that we are really serious about cutting taxes I think the better our growth is going to be in this economy and the more we can count on to sustain the economy so it is easier for us to balance the budget and move forward with our daily lives.

I thank the Senator from Georgia for yielding me time to comment on taxes and our economy and how my constituents feel about reducing the budget within their daily lives.

Mr. COVERDELL. Mr. President, I thank the Senator from Colorado for his very generous remarks, and I enjoyed his presentation here this afternoon.

Mr. President, I ask unanimous consent that our time be elongated by 5 minutes. We have cleared this with the other side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COVERDELL. Mr. President, we have been joined by the distinguished Senator from Texas. I yield up to 7 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized to speak for up to 7 minutes.

Mrs. HUTCHISON. Thank you, Mr. President.

I thank the Senator from Georgia for letting us talk about this important issue, because I think we are getting to the crux of what Congress wants to do. I am glad to be able to address this issue today after the President's State of the Union Message because I was somewhat concerned that in his State of the Union message. The President

seemed to throw aside any hope for tax cuts. That is a very important agenda that I have, and I think most Members of Congress have because we believe that hard-working American families should be able to keep more of the money they earn, not less.

I want to outline what I think is the right approach, if we do in fact start seeing budget surpluses. I want to put forward the proposition that "half and half" is more than just a high-quality milk product. In fact, half and half is the right formula for the responsible spending of the surplus that we hope to see in our budget over the next 10 years. Half should go for paying down the debt. If we are going to be the responsible stewards of this country for our future generation, we must start whittling away the \$5 trillion debt. We have worked hard in a bipartisan way in Congress and with the President to come to a balanced budget. We have done the hard work. To now fritter it away with new ideas for spending our hard-earned taxpayer dollars is the wrong thing to do at this time.

So I think one-half should go towards paying down debt, so that we can say to our children we are going to give you at least as good a solid base as we had when we were growing up in this great country. The other half should go for direct tax cuts for the people who have earned this money.

When I hear people on this floor talking about tax cuts, you can really tell the difference in the way they frame the question. The question asked by people who do not want tax cuts is "Well, now if we give these tax cuts, what is it going to cost the federal government?" That is the wrong question. It is not the government's money, it is the money of hard-working taxpayers. A tax cut lets them keep more of the money they earn. It is not robbing it from the Federal Government. It is letting the people who earn it keep it.

So half and half I think is the right formula.

I will be introducing legislation very quickly that would provide tax cuts, and it would do it in a descending order of priority so that we would never go over one-half of the budget surplus of that year.

Here is what my tax bill would do. It would first eliminate the marriage tax penalty. People in our country should not have to choose between love and money. We value marriage. And the people who get hurt the most are the middle-income. The policeman who marries the school teacher will pay over \$1,000 in taxes in a marriage tax penalty just because they got married. That is wrong, and I want to eliminate it.

No. 2, I want to raise the level of income that people would start paying taxes at 15 percent and 28 percent. This helps the people who are paying the most. I want to raise that 15-percent tax on a single person which, in 1998 will kick in at \$25,350. I want to raise that to \$35,000 so that you would not go

into that 15-percent bracket until you are single and earning \$35,000. If you are married, it would be \$50,000, up from \$42,350. If you are the head of a household, it would be \$40,000, up from \$33,950. The 28-percent bracket, the next bracket, would start at \$71,000 for a single person, up from \$61,109, \$109,950, for a couple, up from \$102,000, and for a head of household, \$93,000, up from \$87,000.

This just raises the point at which people would have to pay higher rates. It gives a break to those who are paying the biggest share, and that is the lower- and middle-income people of our country.

No. 3, the bill will repeal the 18-month capital gains holding period and make it 12 months. I think 12 months is ample time for a capital gains tax to set in. And keep in mind that capital gains are more disproportionately paid by our elderly citizens.

No. 4, in my proposal, I will index capital gains for inflation. This will be a tremendous help to elderly people because most of their income is investment income rather than earned income. We are indexing the personal exemption on earned income. Why not do it for those who are earning it through investment, as elderly people are?

Finally, my bill will cut the top estate tax rate from 55 percent, to 28 percent. I don't like the estate tax at all because I think the American dream for over 200 years has been that you could come to this country, you could work harder, and you could give your children a better chance than you had. So I do not want the estate tax at all. But if we are going to have one, I think it should be lower so that people will be able to give their children a little bit better start than they had.

This is a balanced tax-cut plan. It is not the only one that is good. I have heard many versions of tax-cut plans being put forward by my colleagues that I could easily support. But, I think the important point here is that most Americans, the average American family, pay 38.2 percent of their income in taxes. Mr. President, that is too much. And we want to change it, and it is a priority for this Congress.

I thank the Senator from Georgia for letting us focus on this very important issue for strengthening the American family by letting them keep more of the money they work hard to earn.

Thank you, Mr. President.

Mr. COVERDELL. Mr. President, I thank the Senator from Texas for her excellent remarks and her dedication to leaving money in the checking accounts of people who earn it.

Let me just say in closing, because I know we are going to the other side, that to me American liberty and freedom rests on three principal stanchions: Economic liberty, which means workers can keep the fruits of their labors and make decisions about their lives and fulfill their responsibilities. We have been talking about that here today making sure we leave resources

with American workers and families so that they can do the job and always be dependent upon them to do so in America.

No. 2, for freedom to exist people have to be safe. They have to be secure at work and at home and in their school. We talked about making them safer today.

Last, but certainly not least, an uneducated mind cannot enjoy the benefits of American citizenship. An uneducated mind is denied American liberty. The first major denial occurs, as Senator D'AMATO from New York said, when they are denied economic liberty because they cannot get a job and they cannot connect with the vast opportunity in society.

So America has to get about the task of assuring that all her children and her population have the fundamentals to be free and to enjoy American freedom. And that is what we have been talking about today. We want America to be educated so that she will remain free.

We want workers to be able to benefit from their work so that they can do the job of raising their families and fulfilling their responsibilities as American citizens. And we know they have to be safe because no commerce, no civil interaction can occur in a society that is violence-ridden. And that is what we have been talking about all afternoon.

If you keep America educated, you give her citizens economic viability and options; protect them at home and in the workplace and school, America will be just fine. Our people will take this country and build a new American century.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBB. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. ROBB pertaining to the introduction of S. 1582 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. ROBB. With that, Mr. President, I yield the floor and I thank the distinguished Senator from North Dakota for yielding me time that was to be his, and which I would ask unanimous consent not be charged against the 90 minutes that are allocated to him.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from North Dakota.

Mr. DORGAN. Mr. President, it is my understanding that 90 minutes have been reserved in a block of time for the Democratic Leader or his designee. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

THE AGENDA FOR 1998

Mr. DORGAN. Mr. President, my colleagues and I intend to come here to the floor today to discuss the agenda and what we see ahead of us in this congressional session, the second session of this Congress.

My expectation is that we will find ourselves this year, just as we have in previous years, debating a range of controversial, interesting, and in some cases very provocative issues. We will agree on some of these issues on a bipartisan basis. There may well be aggressive debates about other issues. That is the way the democratic system works. That is the way it should work.

Where we can reach across the aisle and achieve agreement and do the right thing for this country in a harmonious way, good for us. That's what the American people expect us to do. However, when there are policy issues that are very, very controversial, the people expect us to have a vigorous debate, and we will do that.

Most of us head home on weekends or during time when the Senate is not in session. I expect other Senators had the same experience I did during this most recent recess. Constituents say to you, "Well, what are you doing down there in Washington? What's going on in Washington? What's happening in the Senate?" It's a question that everyone asks, no matter where you meet them.

What is happening in the U.S. Senate, and what is happening down here in Washington with respect to legislative duties, is whatever we decide to have happen here on the floor. By virtue of what we schedule for the business of the Senate, we decide what parts of the people's business we will address this year.

I want to talk just for a moment about what I think the business of the Senate ought to be in the coming months.

First and foremost, we ought to take up the legislation that reauthorizes the highway program. That bill was supposed to have been passed last year. It wasn't passed; it was extended for 6 months. And the majority leader, quite appropriately, told us that it will be near the first order of business when Congress returns.

We must take that legislation up and pass it so that the folks around this country who have to plan to maintain our roads and bridges can make those plans. It is our responsibility to pass that bill—not later, but sooner, and I urge that the majority leader bring that legislation to the floor and do it soon.

Some in the Chamber counsel, "Well, let's wait until the budget is passed." No, this is the legislation that was supposed to be passed last year. Let's not wait any longer. Let's bring it to the floor as the first order of business and pass a highway bill. It is also a bill that deals with jobs and opportunity and economic growth in every State in this country. We have a responsibility,

in my judgment, to bring it to the floor and to move it.

Second, I hope in the next days we will pass a piece of legislation that the House of Representatives approved last year by an overwhelming vote. This bill deals with the Internal Revenue Service. It would change how the IRS does its business. It would make significant, important changes in the relationship between the Internal Revenue Service and the American taxpayer. The Senate should pass that bill quickly. It ought to be this week or next week. That ought to be at the front end of the business of this Senate.

Last night President Clinton came to Capitol Hill and in his State of the Union Address talked about the agenda that he thinks Congress ought to consider. At least one of the items of that agenda, which I expect will be controversial but really should not be, is the issue of managed care. I want to describe why this is so important.

President Clinton last night talked about the number of Americans who are now in managed care plans. Well over 100 million Americans are now in these plans. All of us have heard the stories about what managed care means to our families.

Peter Van Etten of Stanford Health Services, in *Time* magazine, said this on April 14: "In the insanity of economics in health care, the patient always loses."

President Clinton last night said there ought to be a patient's bill of rights. Let me give some real-life examples that will demonstrate the importance of this issue.

In California, an employee who suffered from hemophilia was unable to find out whether the new insurance plan offered by his employer would cover his blood-clotting concentrates unless he first joined the plan. In other words, they said you either decide to join or not to join, and we won't tell you whether this covers you as a hemophiliac. What kind of health care plan is that?

A large California HMO denied a referral of an 8-year-old girl suffering from a rare cancer called Wilms' tumor. According to the National Cancer Institutes' protocol for this type of cancer, the girl should have been referred to a Wilms' tumor multi-disciplinary team. But the HMO covering this girl demanded the surgery she required be performed by a urologist who did not specialize in pediatrics and who never before performed this surgery. Even though that HMO had a relationship with a local teaching hospital, which, in fact, did have a Wilms' tumor team, the family was told they would have to go out of the plan and that even the girl's hospital stay would not be covered by the HMO. This, by the way, ended up in court. The HMO was fined a half a million dollars by the California Department of Corporations.

A *Time* magazine cover story titled "What Your Doctor Can't Tell You"

featured a young mother of two, battling with her managed care insurer for coverage of expensive treatments for breast cancer that had already spread to other parts of her body. She died before the article was published, so the fight was over. But she made her point.

In New Jersey, a young woman took a terrible fall from a horse. According to a New York Times newspaper article, she was suffering from swelling of the brain, and was being taken by ambulance to the nearest hospital. In the ambulance, as her brain was swelling from this injury, she said she didn't want to go to the nearest hospital because it was a facility concerned with the bottom line. She didn't want to go to an emergency room where she felt her health care would be a function of profit and loss statements. She told the ambulance crew to take her to a hospital that was farther away, where she was not worried about the kind of care she would get, and where her health was not going to depend on someone's profits and losses.

A Missouri managed care plan sent all of its customers a letter that said a trip to the emergency room with a broken leg, or a baby running a high fever, should not generally be assumed to be covered by the managed care plan. The letter read like this: "An emergency room visit for medical treatment is not automatically covered under your benefit plan."

Mr. President, over 100 million Americans are in managed care plans. These plans can, in fact, save money. In some cases they can improve care. But they can also set up circumstances where decisions about health care are made not by a doctor, but by an accountant in an office 400 miles away, who decides what procedures are covered. I have had doctors tell me that this isn't serving patients' interests. And patients are very concerned about the quality of their health care in this circumstance.

The President said let's pass a piece of legislation to give the patient a right to know about health care options, to ensure the fundamental rights of patients under these plans.

Others will talk about other parts of the agenda. But in conclusion let me just talk for a moment about President Clinton's budget proposal last night. He said that if our budget no longer has a deficit, we should use any additional funds to put Social Security first, to save Social Security first.

I want to describe why that is important. This is a brand new document, January 1998, put out by the Congressional Budget Office. I will bet if you go to the Congressional Budget Office and you find out who wrote this, those people have some fancy degrees, probably three or four of them, from the best schools in the country. They probably wear tiny little glasses that make you look really smart. They probably work hard all day, have several titles. And everybody respects them immensely.

So they write a white book and the white book says that the budget is